

App. No. 10/605,536

REMARKS - General

The Prior Art reference of Phillips (US 7,103,579) deals with online transactions and online purchases. The current invention can be performed at non-online merchants. Phillips also sends the transactions to the Federal Clearing House while the current invention sends them to private clearing house.

Pollin (US 6,041,315) does not disclose a consolidated bank as used in the current invention. Pollin is for the collection of debts owed to merchants while the current invention is for a unique processing of checks. It would not be, in the Applicant's opinion, obvious to apply the completely different concept offered in Phillips in view of Pollin to the concept of consolidated banks. As per the Examiner's comment Pollin functions "where the collection agency functions as a consolidated bank for collecting payment."

The Applicant has added this feature to the claims 'having the merchant's bank making no adjustment to the merchant's account for said insufficient funds check and not giving notice to said Merchant bank of said insufficient funds check'. This feature is novel and unique and not obvious to someone skilled in the arts and is not in any of the referenced art of Phillips in view of Pollin in view of Geer. This function is truly unique to the Applicant's invention and is a revolutionary concept in this field. There a large number of advantages to the merchant using the current invention based on this feature that were not available through the Prior Art.

If the Examiner does not agree with this conclusion Applicant's Attorney requests a phone conference to discuss.

The Applicant have rewritten all claims to define the invention more particularly and distinctly so as to overcome the technical rejections and define the invention patentably over the prior art.

Conclusion

For all of the above reasons, applicant submits that the specification and claims are now in proper form, and that the claims all define patentably over prior art. Therefore the applicant submits that this application is now in condition for allowance, which action is respectfully solicited.

Respectfully submitted,

Jeffrey M. Furr, Esq.
Registration No. 38,146

I hereby certify I have transmitted this paper by fax to the Patent and Trademark Office at 571-273-8300 on March 13, 2008.

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